

Impartial Financial Analysis of Measure J

Measure J authorizes the City of Watsonville to increase the existing Transient Occupancy Tax (hotel tax) from 10% to 11%. Current tax proceeds are deposited in the General Fund and approval of this ordinance will not change that practice. Funds generated by the tax will continue to be used to fund services such as public safety services to include police and fire and community services offered by Parks and Community Services.

I estimate the approval of this tax measure will generate an additional eighty thousand annually. The tax rate cannot be increased by action of the City Council without voter approval.

The projected revenues appear accurate based on my analysis of past transient occupancy revenues provided by City staff. In this analysis, I relied on the best data available at this time; however, actual revenues may be more or less than City staff's estimates due to increased or decreased activity in activities generating Transient Occupancy Tax due to changes in the general economy.



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Administrative Services Director, City of Watsonville